IN THE UNITED STATES DISTRICT COURT FOR THE DISTRICT OF PUERTO RICO

MARINE OFFICE OF AMERICA CORP., ET ALS. Plaintiffs

v.

LILAC MARINE CORPORATION, ET ALS.

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MINUTES OF PROCEEDINGS

A Settlement Conference was held on September 7, 2000. Plaintiffs were represented by Francisco Bruno, Esq. Defendants were represented by Jorge Blasini and William Graffam, Esqs. The conference started at 2:50 p.m. and concluded at 4:00 p.m.

Parties presented their respective versions of the facts and their theories regarding the proper method for the computation of damages. Due to the discrepancy in their theories they are far apart in the settlement negotiation.

When asked regarding the status of the discovery and the pending motions to compel the production of documents, defendants informed that they have been receiving documents from plaintiffs as recent as yesterday. However, plaintiffs insisted on their motion to compel. The court encouraged the parties to continue with their efforts to conclude the discovery and to settle the case. Nonetheless, the parties agreed that they will have concluded all the discovery by September 28, 2000. On that date a Final Settlement Conference will be held in conjunction with the Pre-Trial Conference. The parties also informed that the deposition of Mr. Benina will be

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held next week. Plaintiffs announced that they will be using six witnesses and defendants two.

The Clerk of the Court must NOTIFY this minute to all the parties.

San Juan, Puerto Rico, this day of September, 2000.

FRANCES RIOS DE MORAN, CLERK

By: Sulma López-Defilló Courtroom Deputy Clerk